



DEPARTMENT OF COMMERCE

International Trade Administration

[A-821-831, A-821-835]

Urea Ammonium Nitrate Solutions from the Russian Federation: Termination of Antidumping Duty Changed Circumstances Review; Emulsion Styrene-Butadiene Rubber from the Russia Federation: Notification of Intent to Investigate Whether the Russian Federation is a Market Economy

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) is terminating the changed circumstances review (CCR) under the antidumping duty (AD) investigation of urea ammonium nitrate solutions (UAN) from the Russian Federation (Russia), in which Commerce was examining whether Russia has remained a market economy (ME) country for purposes of the AD law. The examination of whether Russia has remained an ME country for purposes of the AD law is now being continued within the context of the emulsion styrene-butadiene rubber (ESBR) investigation from Russia.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Leah Wils-Owens, Office of Policy, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4203, email: Leah.Wils-Owens@trade.gov.

SUPPLEMENTARY INFORMATION:

Background

On June 30, 2021, Commerce received petitions for the imposition of AD and

countervailing duties (CVD) on UAN imported into the United States from Russia and the Republic of Trinidad and Tobago. In the petitions,¹ the petitioner stated that information that was reasonably available to it indicated that Russia does not operate on market principles. As such, the petitioner argued that Commerce should initiate an investigation into whether, and should determine that, Russia is a non-market economy (NME) country. After finding that the petitioner's allegation met the requirements of section 732 of the Tariff Act of 1930, as amended (the Act), on July 30, 2021, Commerce initiated an AD investigation of UAN from Russia, as well as an examination of Russia's status as an ME country.²

On October 29, 2021, based on the information on the record, Commerce determined that Russia remained an ME country for purposes of AD law.³ However, in its determination, Commerce noted that,

when Commerce determined Russia to be a market economy country in 2002, {it} expected market-oriented reforms to continue to progress significantly. Since they have not progressed as significantly as expected and in some cases have backtracked, Commerce will monitor the progress of reforms in the Russian economy for the near future for purposes of the antidumping duty law.⁴

In its March 26, 2022, case brief in the AD investigation of UAN from Russia, the petitioner argued that the final phase of the AD investigation of UAN from Russia was an appropriate time in the "near future" for Commerce to revisit its determination regarding Russia's ME status and examine whether its October 2021 findings regarding that status remain valid, including its "findings concerning ruble convertibility, the environment for foreign investment, the {Government of Russia's} control over Russia's economy, rule of law, and freedom of information."⁵ Given Commerce's observations in its October 29, 2021

¹ The petitioner in the UAN proceedings was CF Industries Nitrogen, LLC and its subsidiaries, Terra Nitrogen, Limited Partnership and Terra International (Oklahoma) LLC (collectively, the petitioner).

² See *Investigation of Urea Ammonium Nitrate Solutions from the Russian Federation: Opportunity to Comment on the Russian Federation's Status as a Market Economy Country Under the Antidumping Duty Laws*, 86 FR 41008 (July 30, 2021).

³ See Memorandum, "Review of Russia's Status as a Market Economy Country," dated October 29, 2021.

⁴ *Id.* at 6.

⁵ See Petitioner's Letter, "Urea Ammonium Nitrate Solutions from the Russian Federation (A-821-831): Petitioner's Case Brief," dated March 15, 2022, at 3.

determination, the request in the petitioner's case brief, and the additional information gathered concerning changes to the economic conditions in Russia, Commerce determined to revisit Russia's status as an ME country in the context of a CCR initiated on May 6, 2022.⁶ Commerce detailed recent developments in Russia in an accompanying decision memorandum, finding that good cause exists within the meaning of 19 CFR 351.216(c) to initiate a CCR to review whether Russia remains an ME country for purposes of administration of the AD law.⁷ Therefore, Commerce initiated a CCR to determine whether Russia remains an ME country for purposes of the AD law, pursuant to sections 751(b) and 771(18)(C)(ii) of the Act, and 19 CFR 351.216(c).

Termination of the CCR

On July 25, 2022, EuroChem Switzerland (EuroChem), a global fertilizer supplier and a mandatory respondent in the UAN from Russia AD investigation, requested that the CCR be terminated.⁸ EuroChem cited the negative injury determination as to UAN by the U.S. International Trade Commission (ITC) as grounds for terminating the CCR.⁹ EuroChem also argued that the comments it had provided in response to the *CCR Initiation*, along with comments from the Government of Russia, had effectively rebutted Commerce's claim that good cause existed to examine Russia's ME status.¹⁰

Commerce has concluded that it is necessary to terminate the CCR, because as a result of the ITC's finding of no material injury or threat of material injury, there is no AD order of UAN from Russia to review through a CCR.¹¹

ESBR from Russia – Investigation of Russia's ME Status

⁶ See *Urea Ammonium Nitrate Solutions from the Russian Federation: Initiation of Antidumping Duty Changed Circumstances Review*, 87 FR 29286 (May 13, 2022) (*CCR Initiation*), and accompanying Decision Memorandum (placed on the record of the ESBR investigation on September 14, 2022).

⁷ *Id.*

⁸ See EuroChem's Letter, "Urea Ammonium Nitrate Solutions (UAN) from the Russian Federation," dated July 25, 2022 (placed on the record of the ESBR investigation on September 14, 2022).

⁹ *Id.* at 1-2; see also *Urea Ammonium Nitrate Solutions from Russia and Trinidad and Tobago*, 87 FR 48689 (August 10, 2022) (finding that an industry in the United States is not materially injured or threatened with material injury by reason of imports of UAN from Russia).

¹⁰ *Id.* at 2.

¹¹ See section 731 of the Act; see also section 751(b)(1) of the Act.

As Commerce is now terminating the CCR of UAN from Russia, Commerce is now examining Russia's ME status within the context of the AD investigation of ESBR from Russia, pursuant to section 771(18)(C)(ii) of the Act. The final determination of the investigation of ESBR from Russia is scheduled to be issued not later than November 9, 2022. While Commerce intends to complete the review of Russia's ME status by the final determination, Commerce does not intend to reconsider the calculation methodology used for determining the AD margins in the ESBR from Russia final determination, as there will not be sufficient time to do so.

Opportunity for Public Comment and Submission of Factual Information

Certain parties submitted public comments and factual information for consideration in the CCR pursuant to the Federal eRulemaking Portal: www.Regulations.gov. These include comments and, where applicable, rebuttal comments from:

- (a) EuroChem Switzerland;
- (b) The Ministry of Economic Development of the Russian Federation;
- (c) CF Industries Nitrogen, LLC and its subsidiaries, Terra Nitrogen, Limited Partnership and Terra International (Oklahoma) LLC; and
- (d) Wiley Rein LLP.

Commerce is now requesting these parties resubmit their comments to the ESBR from Russia AD investigation (A-821-835) segment on ACCESS. The parties listed above must resubmit their comments to the ACCESS ESBR from Russia AD investigation segment no later than 5:00 pm Eastern Time, September 28, 2022. The parties listed above resubmitting their comments must follow the additional instructions provided by Commerce in a memorandum issued concurrently with this notice and placed on the records of both the ESBR investigation and the UAN CCR.¹²

¹² See Memorandum, "Resubmitting Information and Comments Concerning Russia's Status as a Market Economy Country from the Urea Ammonium Nitrate Solutions Changed Circumstances Review," dated concurrently with this notice.

Commerce is also providing interested parties that have not already submitted comments in the CCR with an opportunity to submit public comments and factual information regarding developments in the Russian economy since October 2021 with respect to the six factors enumerated in section 771(18)(B) of the Act. If parties have already submitted comments on Russia's status as an ME country in the context of the CCR discussed above, new comments from those parties will not be accepted.

The six factors enumerated in section 771(18)(B) of the Act are:

- (i) the extent to which the currency of the foreign country is convertible into the currency of other countries;
- (ii) the extent to which wage rates in the foreign country are determined by free bargaining between labor and management;
- (iii) the extent to which joint ventures or other investments by firms of other foreign countries are permitted in the foreign country;
- (iv) the extent of government ownership or control of the means of production;
- (v) the extent of government control over the allocation of resources and over the price and output decisions of enterprises; and
- (vi) such other factors as the administering authority considers appropriate.

Interested parties may submit comments and factual information regarding Russia's current status as an ME country no later than 21 days after the date of publication of this notice in the *Federal Register*. Rebuttal comments, limited to comments on issues raised in parties' affirmative comments, may be filed no later than 10 days after the date for filing affirmative comments. Comments, factual information, and rebuttal comments must contain all public information.

Parties may request a hearing in their comments. After reviewing all comments, and factual information, Commerce will determine whether to hold a public hearing in the AD investigation of ESBR from Russia, limited to Russia's current status as an ME country.¹³ If

¹³ Other issues in the investigation will be subject to a briefing schedule to be established after the issuance of verification reports. Likewise, a hearing on other issues in the investigation, if one is scheduled, will be separately scheduled.

Commerce determines that a public hearing on this issue is warranted, it will announce a time and forum for the hearing.

Notification to Interested Parties

This notice is issued and published in accordance with section 771(18)(C)(ii) of the Act.

Dated: September 19, 2022

Lisa W. Wang,

Assistant Secretary

for Enforcement and Compliance.

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